Stott. Estt.—15,004—22-9-45.

Bellary Development

(1948) Department.

M-S SERIES

G.O. No 1393

Dated 19 3 1948

[Despatch Abstract.

Acts and Rules State Aid to Industries Act - Application for Mohamad Yousuff, Bellary for guaranteeing a Cash Credit, overd ft, or, fixed advance a... - Bank of ... value of Rs 60,00

... - Rejected

INDUSTRIES AND COMMERCE DEPARTMENT

No.S.A.2331/47.Dated 8th March '48

30296 Dev
13 342

From The Director of Industries and Commerce, Chepauk, Madras.

To The Secretary to Government, Development Department, Madras.

Sir,

Sub:- State Aid to Industries - application from Mr.Mohamed Yousuff, A.M.I.E.T., Bellary for guaranteeing a cash credit, over draft or fixed advance with a bank of the value of Rs.60,000/-

Mr.Mohamed Yousuff, A.M.I.E.T., (London), Bellary applied under the Madras State Aid to Industries Act for guaranteeing a cash credit over draft or fixed advance with a bank of the value of Rs.60,000/- for the manufacture of charcoal briquettes from tannery waste. I enclose a copy of his application together with a copy of the note prepared thereon for the use of the Board of Industries.

The application was placed before the Board of Industries at its meeting held on 3-3-1948. An extract of the proceedings of the meeting is enclosed. It will be seen that the Board has recommended rejection of the application.

H. Dattatreyan
For Director of Industries and Commerce

11/3

ITEM III. - Application from Mr. Mohammad Yousuff, A.M.I.E.T., Bellary for the guaranteeing a cash credit, overdraft or fixed advance with a bank of the value of Rs. 60,000/-.

The following salient points of the application were pointed out by the Chairman.

(i) the process was not a novel one but had already been ..blished by the Forest Research Institute, Dehra Dun.
(ii) the centralisation of manufacture and transport of the fragile products would not be economic. It would be better to make briquettes for local consumption only.
(iii) the applicant had not remitted the cost of advertisement inviting objections to the grant of aid as requested and had not answered any of the communications addressed to him asking for further particulars.
(iv) the applicant had no assets to offer as security.

The applicant who was present could give no explanation to (iii) above. He could not also say how he proposed to raise the balance of capital required by him. He had not manufactured briquettes even on a small scale and marketed them to see whether they would be saleable. The Board resolved to recommend the rejection of the application.

True copy/

Superintendent.

Note for the Board of Industries.

Application from Mr. Mohamed Yousuff, A.M.I.E.T., Bellary for Guaranteeing a cash credit, overdraft or fixed advance with a bank of the value of Rs.60,000/- for the manufacture of charcoal from waste of Golnut.

Mr. Mohamed Yousuff, A.M.I.E.T., Bellary has applied under the Madras State Aid to Industries Act for guaranteeing a cash credit, overdraft or fixed advance with a bank of the value of Rs.60,000/- for the manufacture of charcoal from tannery waste. A copy of his application is enclosed

He was asked to remit a sum of Rs.400/- to this office to meet the charges for advertising in local dailies calling for objections if any, for the grant of the aid according to section 8(2) of the Act and sub-rules (2) and (3) of Rule ~~section~~ (1) of the rules framed under the act extracts of which are reproduced below:--

Section 8(2) of the Act:--

"If the extent of aid applied for exceeds Rs.50,000/- and in any other case in which he considers this procedure necessary, the Director of Industries shall publish a notice in the prescribed manner calling upon any person who objects to the grant of ~~him~~ the aid applied for to state his objections at a time or place to be specified, and shall hear such objection and make such inquiry as may be necessary."

Sub-rule (2) under Rule (1):-

"The cost of publication of the notice referred to in Sub-rule(1) shall be borne by the applicant for the loan or other aid."

Sub-rule (3)under Rule (1):--

"The Director of Industries shall by order in writing require the applicant for the loan or other aid to deposit the cost of publication of the notice within fourteen days of the date of such order. If the applicant fails to deposit the amount with in the ~~above~~ said period, the notice shall ~~be~~ not be published and with the approval of the Provincial Government further consideration of the application shall be dropped."

In spite of a remindor sent on 22. 9. '47 and a registered remindor sent to him on 6. 10. '47 he has not responded. In the circumstances, no action can be taken in the matter.

He views of the Board are invited on the application.

P. Govinda Menon.
JOINT DIRECTOR OF INDUSTRIES
AND COMMERCE.

PVS-19/11.

1 [illegible] Act V of [illegible])

AID TO INDUSTRIES ACT

1. Name of applicant and his full address: — Mohammed Yousuff, A.M.I.E.T. (London) Mechanical Engineer, Mullangi Sanjeevappa St. Bellary.

2. Nature of the Industrial concern for which aid is sought: — Manufacture of charcoal from the waste thrown out as of one use of golnut found in Tanneries and small chips and powder of charcoal found in many places.

3. The administrative, technical and executive staff existing or to be appointed with qualifications: — Foreman, clerks, and Accountant to be appointed.

4. The facilities available for the development of the industry: — (a) Waste of golnut in tanneries after the process of tanning and finishing and thrown out as of no use which is available, in large quantities for a nominal price.
(b) Small chips of Powder of charcoa thrown out as of no use in following places:--
1. In jungles ~~where wood is carbonise~~
2. In places where Gas engine plants are situated (both private and Government concerns)
3. In all charcoal depots.

5. The nature of the processes to be employed. — The waste of Golnut and charcoal above stated are collected powdered, and made into a paste, and converted into polished and ~~pressed~~ charcoal ash.

6. Details of plants and machinery installed or proposed to be installed at the works: —
1. Oil engine of 50 h.p. (Prime Mover)
2. Fan blower for separating the sand stone etc. from the charcoal and Golnut waste.
3. Disintegrators to crush the golnut waste.
4. Flat plate grinding mill to powde charcoal waste.
5. Kolpanit mixers (fixed-) for mixing into paste.
6. Press feeded by verms to prepare bars in assorted shapes.
7. Weighing machine to weigh coal to fil up bags of certain weights
8. Racks to dry the charcoal bars pressed.
9. Shaft, Pulleys, Bearings, etc.
10. Two lorries to collect wastes of Golnut and charcoal and for transport facilities.

The total estimated cost of the undertaking and the probable time that will be occupied in its execution. (Details of recurring and non-recurring expenditure should be furnished separately). — Rs 1,00,000/- (one lakh) is the total estimated cost of the complete plant. 6 months is the probable time (Non recurring) attached separately)

8. Approximate number of operatives employed or to be employed:	10 skilled labourers and 20 coolies to be employed.
9. Estimated net expenditure per annum in running the works:	Seventy two thousand rupees per annum.
10. Estimated net profits accruing:	Eighteen thousand rupees per annum.
11. Reasons why the business cannot be financed without state assistance.	Applicant cannot afford to invest the capital.
12. Nature and extent of state aid applied for: (the particular clause of sec.6 under which the aid is applied for should be stated.	Under clause (b) of Section 6. (Rs.60000) Rupees Sixty Thousand only repayable in twenty years.
13. Security offered: (a) If land (1) Survey No. (2) extent (3) Assessment (4) in whose name registered. (b) Nature and description of other security if any offered:	On the security of the proposed concern itself.
14. Nature and extent of the applicant's right in the concern whether as co sharer or proprietor or otherwise and his financial resources:	Proprietor.
15. Nature and extent of the applicant right to the property offered as security:	As Proprietor
16. Nature and extent of encumbrances on the immoveable property offered as security or collateral.	nil.
17. Whether any arrears are due on the immoveable property offered as security-Primary or collateral. and if so the nature and extent of such arrears:	
18. Period within which and the number of instalments in which the applicant proposes to repay the loan.	As may be conveniently fixed by the Government.
19. Approximate additional net income expected to be earned as a result of the proposed expenditure	
20. If the application is from a Joint stock company, the amount of capital actually subscribed and paid up and the number of shares held by each the directors and their salary and fees and other perquisites should be stated.	
21. Any other remarks:	In the initial stages the turn out and profits may be a little low and it will rapidly improve and more output and profits could be expected. The Industry will thrive well and the product has to be patented for the entire ceded districts.

Declaration: I, Mohammed Yousuff, A.M.I.C.E.(London) declare that the statements made above are ture to the best of my information and belief.

Maj.20-11.

C.F. 16.

Cm 30296 D 11/48

DRAFT FOR APPROVAL.

Development Dept.

	Date.	Initials.
When received for fair copying ..		
When copied ..		
When examined..		
When signed		
When despatched.		

SUBJECT :— Acts and Rules — State Aid to Industries Act — Application from Mr Mohamed Yousuff, Bellary for guaranteeing a cash credit, overdraft or fixed advance with a bank of the value of Rs 60,000/— Rejected

(Circulated)

Cy 19/3/48

READ AGAIN ....., dated ..... 19.....

" " ..... " ..... 19.....

READ *ALSO* :—

No. ..... From the ....., No. ..... dated ..... 19.....

1 ICP " From the DIC to SA. 2331/47 & 8-3-48 " ..... 19.....

" ..... " ..... " ..... " ..... 19.....

~~Resolution~~ Order ~~Rout.~~ Ms. No. 1393, dated 19-3-48 19.....

1 Cy

The Board of Industries having declined to recommend the application from Mr Mohamedyousuff, Bellary, for State aid, its application is rejected under Section 8(5) of the Madras State Aid to Industries Act 1922 (Madras Act V of 1923)

Not put up

To the DIC dept

Cy 15/3/48 15-3-48

CPF 18/3/48

Note to AS

The grant of aid is statutorily prohibited if the Board of Industries unanimously recommend the rejection of the application. A draft order is submitted for approval with reference to the letter from the DIC at 1 ICP

Cy 15/3/48 15-3-48

Sd 18/3/48

[Issued G.O.Ms 1393 Ms Dev & 19-3-48